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INFO OCT-01 AF-08 ARA-06 EA-07 NEA-10 ISO-00 SSO-00 NSCE-00

INRE-00 USIE-00 IO-13 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

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INFO ALL OECD CAPITALS 361

AMEMBASSY ALGIERS

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AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

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AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

USINT BAGHDAD

AMEMBASSY TEHRAN

AMEMBASSY KINGSTON

AMEMBASSY MEXICO CITY

AMEMBASSY LAGOS

AMEMBASSY ISLAMABAD

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E.O. 11652: GDS

TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENGR

SUBJECT: CIEC SENIOR OFFICIALS MEETING: SECOND DAY

1. SUMMARY: DURING MORNING PLENARY, G-19 SPEAKERS MAINTAINED THE PRESSURE, BUT SPLIT OVER ISSUE OF WHETHER SENIOR OFFICIALS SHOULD FINALIZE THE WORK PROGRAMS (JUILDELINES FOR WORK) FOR THE COMMISSIONS. UNCTAD SECRETARY GENERAL COREA MADE REASONABLY BLANCED STATEMENT ON NAIROBI RESULTS.

2. AFTERNOON AND EVENING SAW FREQUENT G-8 AND G-19 CAUCUSES INTERSPREDES BY SHORT PLENARY SESSIONS, ALL ATTEMPTING TO RESOLVE THE ISSUE OF WHETHER THE SENIOR OFFICIALS SHOULD LAY DOWN COMMISSION GUIDELINES FOR NEXT SIX MONTHS. THE G-19 TABLED A LIST OF SPECIFIC TOPICS, CONTAINING SOME ACUTELY SLANTED LANGUAGE AND SOME NOXIOUS ITEMS, E.G. INDEXATION, MONETARY REFORM, ETC. THEY URGED THE LIST BE ACCEPTED AS THE WORK PROGRAMS FOR COMMISSIONS. G-8 REJECTED IT. NEGOTIATIONS THEN ENSUED BETWEEN MACEACHEN AND PEREZ GUERRERO TO DRAFT COMMUNIQUE LANGUAGE BRIDGING THE DIFFERENCE ALONG THE LINES OF A STATEMENT IN THE COMMUNIQUE NOTING SENIOR OFFICIALS QUOTE INSTRUCTIONS END QUOTE TO THE COMMISSIONS TO DEVELOP THEIR OWN WORK PROGRAMS, TAKING INTO ACCOUNT THE JUNE 18 CO-CHAIRMEN'S REPORT, THE SENIOR OFFICIALS DISCUSSION, THE G-19 LIST OF TOPICS AND ANY INFORMATION THAT MAY SUBSEQUENTLY BE MADE AVAILABLE TO THE COMMISSIONS. END SUMMARY.

3. THE IRAQI DELEGATE OPENED THE MORNING PLENARY BY INSISTING THAT THE SENIOR OFFICIALS DEVELOP THE COMMISSIONS' GUIDELINES AND DRAFT RESOLUTIONS ON KEY ISSUES FOR ADOPTION BY THE DECEMBER MINISTERIAL. HOWEVER, THE DELEGATES OF IRAN, PAKISTAN, AND ARGENTINA SAID THE SENIOR OFFICIALS SHOULD ONLY ESTABLISH GENERAL GUIDELINES AND LEAVE TO THE COMMISSION THE CONFIDENTIAL

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PLANNING OF THEIR WORK, A VIEW SUPPORTED BY SPAIN AND AUNZRALIA.

4. IN THEIR FORMAL INTERVENTIONS, CAMEROON AND PAKISTAN CALLED FOR CIEC TO CONCENTRATE ITS WORK IN AREAS OF SPECIFIC CONCERN TO THEM. THE CAMEROON DELEGATE HELD THAT CIED SHOULD: 1) DESIGN OVERALL ENERGY COOPERATION AIMED AT HELPING LDCS DEVELOP

NATIONAL ENERGY PLANS (GIVING US AN OPENING FOR THE IEI), 2) ENSURE PROTECTION OF PURCHASING POWER FOR AGRICULTURAL EXPORTS, 3) ENCOURAGE ASSISTANCE IN DEVELOPING LOCAL PROCESSING INDUSTRIES, 4) FACILITATE ACCESS TO CAPITAL MARKETS, 5) SUPPORT ITS PROPOSAL FOR THE DECADE OF TRANSPORT AND COMMUNICATION FOR AFRICA, AND 6) GIVE APPROVAL TO THE FRENCH PROPOSAL FOR A SPECIAL FUND FOR AFRICA. THE PAKISTANI DELEGATE SAID CIEC SHOULD FOCUS ON DEBT RELIEF AND LDC ACCESS TO MARKETS IN INDUSTRIALIZED COUNTRIES.

THREE INTERVENTIONS DURING THE MORNING PLENARY WERE PARTICULARLY NOTEWORTHY. IN COURSE OF HIS REMARKS, THE IRANIAN DELEGATE WARNED THAT THE OIL PRODUCING NATIONS WERE GROWING INCREASINGLY IMPATIENT WITH THE DECLINE IN THEIR PURCHASING POWER AND THAT RESPONSIBILITY FOR A QUOTE NEW OIL PRICE RISE WOULD BE SQUARELY ON THE SHOULDERS OF THE INDUSTRIALIZED COUNTRIES. END QUOTE.

SPEAKING ON BEHALF OF THE G-19 CO-CHAIRMAN, PERUVIAN AMBASSADOR ALZAMORE DELIVERED A POLEMICAL ASSESSMENT OF THE WORK OF THE RAW MATERIALS COMMISSION. HE SAID THE COMMISSION'S CONTRIBUTION TO THE UNCTAD COMMODITIES PROGRAM RESULTED PRIMARILY FROM THE QUOTE FAIRNESS AND CORRECTNESS END QUOTE OF THE G-19 VIEWS AND SECONDARILY FROM THE QUOTE MORE ENLIGHTENED ATTITUDE OF SOME INDUSTRIALIZED COUNTRIES. END QUOTE. HE SAID THE FUTURE OBJECTIVE OF THE COMMISSION SHOULD BE TO OVERCOME POLITICIAL OBSTACLES TO IMPLEMENTATION FO THE UNCTAD PROGRAM AND HE SUGGESTED THAT, WHILE THE G19 WOULD CONSIDER ALL PROPOSALS, PRIORITY MUST BE GIVEN TO LDC INITIATIVES. WHICH MOST CLEARLY REFLECTED THE NEEDS OF THE DEVELOPING COUNTRIES, AND THAT ONLY WHEN NEW RULES OF THE GAME ARE ESTABLISHED CAN OTHER CONFIDENTIAL

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"MARGINAL" PROPOSALS BE CONSIDERED.

IN CONTRAST, UNCTAD SECRETARY GENERAL COREA GAVE
A REASONABLY BALANCED ASSESSMENT OF THE NAIROBI
CONFERENCE. HE ORGANIZED THE RESULTS INTO THREE AREAS:
"POLITICAL" -- ALL NATIONS DEMONSTRATED A CLEAR DESIRE
FOR UNCTAD TO SUCCEED, AND THE G-77 PROVED CAPABLE OF
NEGOTIATING AS A GROUP ON SPECIFIC ISSUES:
QUOTE ORGANIZATIONAL END QUOTE -- MINISTERS WERE
PRESENT WHEN MAJOR DECISIONS NEEDED TO BE TAKEN;
AND QUOTE SUBSTANTIVE END QUOTE -- THE CONFERENCE
ENDORSED THE CONCEPT OF THE INTERGRATED PROGRAM, ESTABLISHED A FRAME WORK FOR NEGOTIATING THE COMMON FUND,
BUT FAILED TO DEAL SUFFICIENTLY WITH THE DEBT ISSUE.
THE MEXICAN AND JAMAICAN DELEGATES SPODE ON
BEHALF OF THE G-19 LIST, ASSERTING THAT THE SENIRO

OFFICIALS SHOULD USE IT TO GIVE POSITIVE POLITICAL
GUIDANCE TO THE COMMISSIONS. IN A HIGHLY POLEMICAL
STATEMENT, THE JAMAICAN DELEGATE ATTACKED THE LACK OF
RESPONSIVENESS OF THE INDUSTRIALIZED COUNTRIES. HE
CONTENDED THAT THESE NATIONS RECOGNIZED THE GAP BETWEEN
THEMSELVES AND LDCS BUT AVOIDED CONCRETE STEPS TO
CORRECT THE SITUATION -- RELYING INSTEAD ON THE
DISCREDITED AND INEFFECTIVE "TRICKLE-DOWN THEORY"OF
DEVELOPMENT. HE SAID THAT CIEC COULD SUCCEED ONLY IF IT
ADOPTED CONCRETE STEPS THAT WOULD LEAD TO A SIGNIFICANT
TRANSFER OF RESOURCES TO THE DEVELOPING COUNTRIES. HE
CONCLUDED THAT IF THE SENIOR OFFICIALS HERE WERE
NOT PREPARED TO BIND THEMSELVES

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AMEMBASSY ALGIERS

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TO SUCH CONCRETE RESULTS NOW, AND ENSURE THAT THESE RESULTS WERE ACCEPTED BY OTHER INTERNATIONAL ORGANIZATIONS, THEN CIEC SHOULD ADJOURN, AT LEAST UNTIL NEXT SPRING

AFTER THE RECESS OF THE EVENING PLENARY, MACEACHEN INFORMED THE G-8 CAUCUS THAT PEREZ GUERRERO HAD INDICATED PRIVATELY THAT HE MIGHT BE ABLE TO GET G-19 SUPPORT FOR A COMMUNIQUE THAT GAVE SPECIAL WEIGHT TO THE ROLE OF THE SENIOR OFFICIALS MEETING IN PROVIDEINGDIRECTION TO THE COMMISSIONS, WHILE NOT PURPORTING TO FINALIZE THE WORK PROGRAMS FOR THE COMMISSIONS. MACEACHEN OBTAINED G-8 APPROVAL TO TRY TO NEGOTIATE WITH PEREZ GUERRERO COMMUNIQUE LANGUAGE WHICH SAID THE SENIOR OFFICIALS INSTRUCTED THE COMMISSIONS TO CMPLETE THEIR WORK PROGRAMS AT THEIR JULY SESSION, TAKING INTO ACCOUNT THE JUNE 18 REPROT OF THE CO-CHAIRMEN, THE SENIOR OFFICIALS DISCUSSIONS, THE G-19 PAPER, AND SUBSEQUENT INFORMATION THAT IS MADE AVAILABLE TO THEM.TURNER

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